Exhibit B

UNITED STATES BANKRUPTCY COURT

SOUTHERN DISTRICT OF NEW YORK

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In the Matter of:

LEHMAN BROTHERS HOLDINGS, INC.,	CAUSE NO.
et al,	08-13555(JMP)
Debtors.	

- x

In re

LEHMAN BROTHERS, INC.,	CAUSE NO.
Debtor.	08-01420(JMP)(SIPA)

- -x

U.S. Bankruptcy Court

One Bowling Green

New York, New York

November 14, 2012

10:02 AM

B E F O R E:

HON. JAMES M. PECK

U.S. BANKRUPTCY JUDGE

ECRO: MATTHEW

HEARING re Notice of Final Applications of Retained Professionals for Final Allowance and Approval of Compensation for Professional Services Rendered and Reimbursement of Actual and Necessary Expenses Incurred from September 15, 2008 to March 6, 2012 (ECF Nos. 31901)

HEARING re Plan Administrator's Cross-Motion to Compel Giants Stadium LLC to comply with Rule 2004 Subpoenas and Objection to Giants Stadium's Motion to Quash the Rule 2004 Subpoenas (ECF No. 31652)

HEARING re Motion to Quash a Subpoena filed by Bruce E. Clark on behalf of Giants Stadium LLC (ECF No. 31339)

HEARING re Amended Motion of Giants Stadium LLC for Leave to Conduct Discovery of the Debtors Pursuant to Federal Rule of Bankruptcy Procedure 2004 (ECF No. 31105)

SIPA PROCEDURES

HEARING re Motion Pursuant to Federal Rule of Bankruptcy Procedure 9019 for Entry of an Order Approving Settlement Agreement Between the Trustee and Lehman Brothers Finance AG, in Liquidation (a/k/a Lehman Brothers Finance SA, in Liquidation)(LBI ECF No. 5362)

HEARING re Trustee's Motion Pursuant to Section 105(a) of the Bankruptcy Code and Bankruptcy Rules 3007 and 9019(b) for Approval of General Creditor Claim (I) Objections Procedures and (II) Settlement Procedures (LBI ECF No. 5392)

HEARING re Debtor's Three Hundred Fifty-Seventh Omnibus Objection to Claims (Misclassified Claims (ECF No. 31048)

HEARING re Objection to Claim No. 17763 Filed by Laurel Cove Development, LLC (ECF No. 29187)

HEARING re Three Hundred Twentieth Omnibus Objection to Claims (No Liability Rose Ranch LLC Claims)(ECF No. 29292)

HEARING re Debtor's Three Hundred Twenty-Ninth Omnibus Objection to Claims (Misclassified Claims)(ECF No. 29324)

HEARING re Motion for an Order Pursuant to Section 105(a) of the Bankruptcy Code and Bankruptcy Rule 9019, Authorizing and Approving the Settlement with Lehman Brothers, Inc. (ECF No. 43)

HEARING re Turnberry Centra Sub, LLC et al v Lehman Brothers Holdings, Inc., et al (Adversary Case No. 09-01062)

Transcribed by: Sheila Orms and William Garling

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look at the -- I know Your Honor's familiar with all this, so I'm not going to belabor it, but if you look at the background, the Cameron case and all the other cases that dealt with the origins of Rule 2004. Originally it dealt with a situation where a receiver came in, wasn't familiar with the debtor, and had to have an expansive and quick, quick review of the debtor's assets in order to protect creditors. That's what any number of the cases have said.

It is not an excuse to allow a debtor in the circumstances present here to just continue with their investigation because the investigation is preliminary and not final, and it's final because it's preliminary. That's what they're saying. It's a little circular, and I think we ought to move on. Thank you.

THE COURT: Okay. Well, thank you for your candor in answering the Court's questions and in your presentations. I don't see this as a typical use of Rule 2004. Nor do I see it as a case that will open the proverbial floodgates of other discovery in part because Mr. Slack in his presentation, candidly observed that at this juncture, more than four years into the Lehman bankruptcy case, his client really doesn't fully understand all elements of claims arising out of this complicated auction rate hedge.

And it's apparent that if they could determine now

that they had an affirmative claim, they would assert it. Lehman has not been shy about asserting such claims in the past. Additionally, it seems fairly obvious that if Lehman had sufficient information available to it that would support not just a shotgun approach objection but a specific and tailored objection to the claim, it would file it.

Throughout this case, Lehman has been active in filing and pursuing objections to claims, and in fact, part of this morning's agenda relates to objections to claims. And so I view this as an exceptional case. And, in fact, that was one of the reasons I asked a number of questions at the outset to determine to what extent the issues that related to this discovery dispute were exceptional and unique, and to what extent this was just another example of a derivatives dispute, this one happening to have the negative gloss of active discovery disputes, as opposed to active negotiations leading to a settlement.

I believe a continuing 2004 discovery under the circumstances makes sense, although the fact that this is occurring 14 months after our last discovery dispute is a terribly negative fact. One conclusion to be drawn from the mere timing of this, is that this dispute is taking too long to resolve, and that despite best efforts, reasonable people are unable to get to yes, and they should.

And so I'm going to propose that counsel meet and

confer in an effort to develop what I'll call a reciprocal discovery protocol, and it is not necessarily limited to 2004. I believe that one of the things that distinguishes the dispute that I've heard a lot about this morning from other disputes, is that there is no foreseeable outcome here in which Lehman is not objecting, or bringing affirmative claims relief.

This is not a situation in which Lehman is engaging in a 2004 process to later shake hands, and say here's the money. I also believe even though everybody has denied this that the 2004 dance that we're engaged in necessarily has tactical aspects to it. And so here's what I am directing.

Between now and the first of the year, I would like the parties to develop and agreed discovery protocol that will be applicable whether we're dealing with 2004 discovery or claims related discovery. It would be extraordinarily wasteful for the discovery that's taken in 2004 to be replicated again. And in the case of Ms. Prokopse, that's already happening. Enough already.

I recognize that the 2004 sword is more properly used by the debtor than by the creditor in this instance. And so discovery from third parties and discovery from Giant Stadium and discovery from Goal Line may be more appropriate than discovery from the debtor. But that does not mean that some discovery from the debtor is not also to be part of

this process.

One of the mysteries from the perspective of the Court is that this third party discovery and discovery from others is so critical from the debtor's perspective in being able to formulate its own position with respect to the claim. But I accept the representations made that ongoing 2004 discovery is needed in order for the debtor to complete its investigation to use its words.

I would ask the parties to report the results of these efforts at the December omnibus hearing. You don't have to the point of an agreement, in fact, you could be to the point of no agreement. I'd like to know that, in which case I will then be able to either rule or take this matter under advisement, but I have I think provided sufficient guidance here to suggest that what I consider to be an appropriate result is reasonable discovery going in both directions with the understanding that the need for that discovery is more obviously greater for the debtor. And this is not an example of gotcha because I am indicating in agreement that continued 2004 discovery is appropriate for the debtor and the debtor's benefit.

I'm also noting the time's up in effect. This has to come to a conclusion. And I don't expect there to be another discovery dispute between the parties until there's active litigation between you. And I hope that doesn't

occur at that point either. So I'll hear from you next time.

MR. CLARK: Your Honor, just a question of clarification. How does the January 1st deadline fit with the next omnibus hearing? I'm not --

THE COURT: I don't know.

MR. CLARK: Okay.

THE COURT: I'm just looking for a status report at the next omnibus hearing. And if it doesn't fit well for the parties, it can always be put off, and then we can make that a telephone conference.

MR. CLARK: Thank you, Your Honor.

MS. MARCUS: Your Honor, the December hearing is December 19th.

THE COURT: 18th?

MS. MARCUS: 19th.

THE COURT: That seems like a perfect date for a status report.

MR. MARGOLIN: The omnibus hearing is on December 12th, Your Honor.

THE COURT: Why am I hearing different dates?

MS. MARCUS: Sorry. Sorry, Your Honor. December 12th, sorry about that.

THE COURT: December 12th is a perfect date, too. Either one's fine.